



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

EPA Region 5 Records Ctr.



249444

MAR 07 2006

REPLY TO THE ATTENTION OF

MEMORANDUM

SUBJECT: ACTION MEMORANDUM: Request for a CEILING INCREASE for the
Second Emergency Removal at the Outboard Marine Corporation (OMC) Site,
Waukegan, Lake County, Illinois
Site ID# 0528

FROM: Kenneth Theisen, On-Scene Coordinator
Response Section III

TO: Richard C. Karl, Director
Superfund Division

THRU: Linda M. Nachowicz, Chief
Emergency Response Branch

I. PURPOSE

The purpose of this memorandum is to request a Ceiling Increase in the amount of \$465,600 to continue a removal action designed to eliminate the threat posed by the presence of PCB (polychlorinated biphenol) contaminated soils in a dunes area adjacent to the former OMC plant. With concentrations as high as 14,000 ppm (parts per million), these values, found at the surface to as deep as 8 feet, are located in a ecologically sensitive area directly adjacent to Lake Michigan. Because of the shifting sands and the possibility of high lake levels impacting this area, a direct contact threat to the nearby public exists, as well as a longer term threat to Lake Michigan.

The excavation, as described in the November 14, 2005 Second Removal Action, Action Memo, uncovered a considerably larger than anticipated tonnage of PCB contamination. This proposed ceiling increase will provide additional funds to dispose of the newly discovered excavated and stockpiled contaminated material.

II. SITE CONDITIONS AND BACKGROUND

CERCLIS ID# ILD000802827

A. PHYSICAL LOCATION AND DESCRIPTION

The OMC Site is located in the city of Waukegan, Lake County, Illinois. The site coordinates are Latitude 42° 22' 8.6" North and Longitude 87° 49' 10.1" West. Plant #2, also known as the North Plant, is located at 90 Sea Horse Drive in Waukegan, Illinois. It is bordered to the north by the North Ditch and by the North Shore Sanitary District; to the east it is bordered by Lake Michigan; to the south by Sea Horse Drive and to the west by the Elgin, Joliet and Eastern Railroad.

The former OMC North Plant consists of a single building of over a million square feet of floor space. The facility is directly adjacent to Lake Michigan.

B. ENVIRONMENTAL JUSTICE ANALYSIS

In Illinois, the low income percentage is 27% or greater and the minority percentage is 25% or greater. To meet the Environmental Justice (EJ) criteria, the area within one mile of the site must have a population that is twice the state low income percentage and/or twice the state minority percentage. Thus, in this case, the area must be at least 54% low income and/or 50% minority. At this site, the low income percentage is 44% and the minority percentage is 55%, as determined by Land View III EJ analysis. Therefore, this site does meet the Region's EJ criteria based on demographics as identified in Region 5's "Interim Guidelines for identifying and Addressing a Potential EJ Case," June 1998. (See Attachment 5).

C. BACKGROUND

On December 22, 2000, OMC filed for Chapter 11 bankruptcy protection and ceased all operations. (See Attachment 1, the original Action Memorandum for further details).

After limited cleanup operations were completed by the OMC bankruptcy trustee and by the purchaser of OMCs' assets, Bombardier, the U.S. EPA initiated its partial removal action from May to August 2003 to complete work identified in initial assessment efforts.

In 2005, 35 samples from the 13 acre dunes area adjacent to the North Plant and Lake Michigan were collected by a contractor to the City of Waukegan via a Brownsfield grant. Seven of those samples confirmed the presence of PCB contaminated material with concentrations ranging up to 14,400 ppm and depths from the surface to eight feet below grade. On August 17, 2005, U.S. EPA and its contractor conducted a site assessment confirming the presence of PCB contaminated material with concentrations as high as 7,180 ppm.

On December 16, 2005, U. S. EPA and its contractors mobilized to the site to begin excavation of the areas where sampling had confirmed the presence of high PCB concentrations. (See Attachment 1, Action Memorandum-Second Emergency Removal dated November 14, 2005). The excavated soil from the area south of the North Ditch and directly east of the former OMC North Plant was stockpiled, as was material from in the South Ditch where sampling also indicated the presence of high levels of PCB contamination. Both of these areas were located in

the so called "dunes area," an area between the former North Plant and the lake containing several State endangered species of plants.

U.S. EPA's excavation progressed and when the original aerial extent and the varying depths were reached as per original sampling results from U.S. EPA's confirmation sampling and from sampling results from the City of Waukegan's contractor, clearance sampling results indicated a much larger problem. The excavated areas and depths were substantially increased in an attempt to recover the additional PCB material. Excavation was made more difficult because of the shallow depth to the water table and by the extremely cold winter conditions.

Soil from these two areas has been stockpiled and is awaiting disposal arrangements and the onset of spring weather conditions, as well as this authorization for a Ceiling Increase.

Great care was taken to ensure the protection of the endangered species as Mr. Keith Shank of the Illinois Department of Natural Resources (IDNR) and Ms. Margo Milde, a local expert in this particular type of dunes environment, was consulted. Ms. Milde presented a long list of suggestions and hints in restoring this area to as close as possible to its original status. A few of the more important ideas that were implemented, are listed below:

1. The area to be excavated that contained the particular species of concern, *Beach Marram Grass* and *Kalm's St. John's Wort*, was "scalped" of the top six inches of top soil, as this top 6" contains many seeds and nutrients that will be beneficial in the restoration of the area.
2. Removed as many of the endangered plants as possible before excavation and then transplanted them back into the area after backfilling.
3. Used a special mixture of 70% fine, clean sand and 30% fully decomposed, double-screened compost material for the top one foot of the backfilled area. This is the same mixture that the IDNR uses at the Illinois Beach State Park.

III. THREATS TO PUBLIC HEALTH, WELFARE, OR TO THE ENVIRONMENT, AND STATUTORY AND REGULATORY AUTHORITIES.

The conditions at the OMC Site present an imminent and substantial threat to the public health, or welfare and the environment and meet the criteria for a removal action provided for in the National Contingency Plan (NCP), specifically 40 CFR § 300.415 (b)(2)(i), and (v) allows removal actions for:

- a. **Actual or potential exposure to hazardous substances or pollutants or contaminants by nearby populations, animals or the food chain.**

The presence of levels of PCB in concentrations as high as 14,400 ppm in a dunes area adjacent

to a public beach provides the possibility of a direct contact threat to bathers and the general public as they pass through the dunes area. Also, the presence of PCB contaminated soils at the surface could lead to a release of this material into Lake Michigan via wind or water erosion.

b. Actual or potential contamination of drinking water supplies or sensitive ecosystems.

The presence of PCB adjacent to Lake Michigan, a source of drinking water, poses a threat to the nearby community. In addition, the presence of PCB material in this setting where there is unrestricted access presents a cleanup level of 10 ppm. (40 CFR Section 761.125). There are 13 different sample locations where the 10 ppm threshold is exceeded.

Also, the dunes area is located in a sensitive and very fragile ecosystem of state-endangered aquatic/riparian zone vascular plants. These plants are Marram Grass and Kalb's St. John's Wort.

c. The availability of other federal or state mechanisms to respond to the release.

The City of Waukegan now owns the former OMC North Plant and has asked for out help in removing this contaminant. The State of Illinois does not have the financial resources to eliminate this threat.

IV. ENDANGERMENT DETERMINATION

Given the Site conditions, the nature of the suspected hazardous substances on Site, and the potential exposure pathways described in Section III above, actual or threatened releases of hazardous substances from this Site, if not addressed by implementing the response actions selected in this Memorandum, present an imminent and substantial endangerment to public health, welfare or the environment.

V. PROPOSED ACTIONS AND ESTIMATED COSTS

The following actions are proposed to remediate the threats to public health and/or the environment at the OMC Site:

1. Transport and properly dispose of the PCB contaminated material.
2. Replace original fence as per City of Waukegan instructions

It is estimated that the remaining removal will take up to 2 weeks to complete.

	ORIGINAL	INCREASE	TOTAL
ERRS Costs	\$427,213	\$354,900	\$782,113
START	\$50,000	\$ 50,000	\$100,000
CONTINGENCY (15%)	\$71,580	\$60,700	\$132,280
TOTAL EXTRAMURAL PROJECT CEILING	\$548,793	\$465,600	\$1,014,393

A detailed contractor cost breakdown (Independent Government Cost Estimate) is available as Attachment 2

The removal action will be taken in a manner not inconsistent with the National Contingency Plan (NCP). The FOSC (Federal On Scene Coordinator) has initiated planning for provisions of post-removal site control consistent the with provisions of Section 300.415 (9) (I) of the NCP. The elimination of all surface threats is, however, expected to minimize the need for post-removal site control.

The response actions described in this memorandum directly address actual or threatened releases of hazardous pollutants or contaminants at the site which may pose an imminent and substantial endangerment to public health and safety and/or the environment. These response actions do not impose a burden on the affected property disproportionate to the extent to which that property contributes to the conditions being addressed.

U.S. EPA will comply with all applicable and relevant and appropriate requirements (ARARs) of federal and state law to the extent practicable. The OSC has sent correspondence to the State of Illinois Project Manager asking for a list of all ARARs with which the State of Illinois would like the FOSC to comply.

VI. EXPECTED CHANGE IN THE SITUATION SHOULD ACTION BE DELAYED OR NOT TAKEN.

A delayed or non-action on the part of the U.S. EPA will result in possible exposure to those who utilize the dunes area adjacent to the OMC facility. The area is not restricted and receives heavy use in the summer months. In addition, wind action can cause the PCB contaminated material, which is currently stockpiled, to be released into presently non-contaminated areas. The City of Waukegan municipal beach and marina are within a quarter mile of the stockpiled PCB material.

VII. OUTSTANDING POLICY ISSUES

None

VIII. ENFORCEMENT

For administrative purposes, information concerning the enforcement strategy for this Site is contained in the Enforcement Confidential Addendum (Attachment 3).

The total costs¹ for the removal action including this ceiling increase, based on full accounting that will be eligible cost recovery are estimated to be: $(\$1,014,393 + \$5,000 \text{ EPA Intramural Costs} = \$1,019,393 \times 55.15\% = \$1,581,588)$

¹Direct Costs include direct extramural costs and direct intramural costs. Indirect costs are calculated based on an estimated indirect cost rate expressed as a percentage of site-specific direct costs, consistent with the full cost accounting methodology effective October 2, 2000. These estimates do not include pre-judgement interest, do not take into account other enforcement costs, including Department of Justice costs, and may be adjusted during the course of a removal action. The estimates are for illustrative purposes only and their use is not intended to create any rights for the responsible parties. Neither the lack of a total estimate nor deviation for actual total costs from this estimate will affect the United States' right to cost recovery

IX. RECOMMENDATION

This decision document sets out the supplemental actions necessitating a ceiling increase for the second removal at the former OMC Site located in Waukegan, Illinois, developed in accordance with CERCLA, as amended, and not inconsistent with the NCP. This decision was based on the Administrative Record for the Site. (See attachment 4). Conditions at the Site meet the Section 300.415 (b)(2) criteria for a time critical removal action and I recommend your approval of this ceiling increase.

The total ceiling increase for this second removal action, if approved, will be \$465,600. This brings the Total Project cost to \$1,014,393. Of the ceiling increase total, 415,600 may be used for cleanup contractor costs, bring the total available for contractor use to \$782,113. You may indicate your decision by signing below.

APPROVE: Richard C. Karl DATE: 3-7-06
Richard C. Karl, Director Superfund

DISAPPROVE: _____ DATE: _____
Richard C. Karl, Director Superfund

Attachments: 1. Action Memorandum, 2nd Removal Action
2. Independent Government Cost Estimate
3. Enforcement Confidential Addendum
4. Administrative Record Index
5. EJ Analysis

cc: D. Chung, U.S. EPA 52203-G
M. Chezick, U.S. DOI, w/o Enf Index
D. Scott, IEPA, w/o Enf Index

Attachment 1



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

NOV 14 2005

REPLY TO THE ATTENTION OF

MEMORANDUM

SUBJECT: ACTION MEMORANDUM - Request for a Second Emergency Removal at the Outboard Marine Corporation (OMC) Site, Waukegan, Lake County, Illinois Site ID# 0528

FROM: Kenneth Theisen, On-Scene Coordinator
Response Section III

TO: Richard C. Karl, Director
Superfund Division

THRU: Linda M. Nachowicz, Chief
Emergency Response Branch

I. PURPOSE

The purpose of this memorandum is to request \$548,793 to eliminate a threat posed by the presence of PCB (polychlorinated bi-phenol) contaminated soils in a sensitive eco-system in a dunes area adjacent to the former OMC plant and on the shore of Lake Michigan. With one concentration as high as 14,000 ppm (parts per million) and with others in the hundreds of ppm range, these values were found ranging from at the surface to as deep as 8 feet. Because of the shifting sands and the possibility of high lake levels impacting this area, a direct contact threat to the nearby public exists, as well as a longer term threat to Lake Michigan.

The proposed removal action will eliminate the threat posed to the public using this area of lake shore as well as removing the threats posed to this ecologically sensitive area adjacent to Lake Michigan.

II. SITE CONDITIONS AND BACKGROUND

CERCLIS ID# ILD000802827

A. PHYSICAL LOCATION AND DESCRIPTION

The OMC site is located in the city of Waukegan, Lake County, Illinois. The site coordinates are Latitude 42° 22' 8.6" North and Longitude 87° 49' 10.1" West. Plant #2, also known as the North plant, is located at 90 Sea Horse Drive in Waukegan, Illinois. It is bordered to the north by the

North Ditch and by the North Shore Sanitary District. To the east it is bordered by Lake Michigan. To the south by Sea Horse Drive and to the west by the Elgin, Joliet and Eastern Railroad.

The former OMC North, consists of a single building of over a million sq feet of floor space. This facility is directly adjacent to Lake Michigan.

B. ENVIRONMENTAL JUSTICE ANALYSIS

In Illinois, the low income percentage is 27% or greater and the minority percentage is 25% or greater. To meet the Environmental Justice (EJ) criteria, the area within one mile of the site must have a population that is twice the state low income percentage and/or twice the state minority percentage. Thus, in this case, the area must be at least 54% low income and/or 50% minority. At this site, the low income percentage is 44% and the minority percentage is 55%, as determined by Land View III EJ analysis. Therefore, this site does meet the Region's EJ criteria based on demographics as identified in Region 5's "Interim Guidelines for identifying and Addressing a Potential EJ Case," June 1998. (See Attachment 5)

C. BACKGROUND

On December 22, 2000, the OMC filed for Chapter 11 bankruptcy protection and ceased all operations. (See Attachment 1, the original Action Memorandum for further details).

After limited cleanup operations were completed by the OMC trustee and by the new owner, Bombardier, the U.S. EPA initiated its partial removal action to complete work identified in initial assessment efforts. This effort began in May of 2003 and completed in August of the same year. The facility was left secured and the keys turned over to the City of Waukegan. Since that time, the City has taken over ownership of the plant pursuant to a perspective purchaser agreement signed with the United States.

In 2004, the City of Waukegan contracted with Deigan and Associates to sample the 13 acre dunes area adjacent to plant #2 and Lake Michigan. Deigan and Associates collected a total of 21 samples from the 13 acre dunes area, and 14 samples from the North and South ditches. A total of 7 samples confirmed the presence of PCB contaminated material in depths ranging from the surface to 8 feet below grade. Concentrations ranged up to 14,400 ppm.

In August 17th, the U.S. EPA and its contractor, at the request of the U.S. EPA's Remedial Project Manager, conducted a site assessment in an attempt to confirm the presence of the PCB and delineate the PCB contamination. An additional 17 samples were collected and did indeed confirm the presence of the PCB material, with concentrations as high as 7,180 ppm.

III. THREATS TO PUBLIC HEALTH, WELFARE, OR TO THE ENVIRONMENT, AND STATUTORY AND REGULATORY AUTHORITIES.

The conditions at the OMC Site present an imminent and substantial threat to the public health, or welfare and the environment and meet the criteria for a removal action provided for in the National Contingency Plan (NCP) Section 300.415 (b)(2), C.F.R. §415 (b)(2)(i), and (v) respectively allows removal actions for:

a. Actual or potential exposure to hazardous substances or pollutants or contaminants by nearby populations, animals or the food chain.

The presence of levels of PCB in concentrations as high as 14,400 ppm in a dunes area adjacent to a public beach provides the possibility of a direct contact threat to bathers and the general public as they pass through the dunes area. Also, the presence of PCB contaminated soils at the surface could lead to a release of this material into Lake Michigan via wind or water erosion.

b. Actual or potential contamination of drinking water supplies or sensitive ecosystems.

The presence of PCB's adjacent to Lake Michigan, a source of drinking water poses a threat to the nearby community. In addition, the presence of PCB material in this setting where there is unrestricted access presents a cleanup level of 10 ppm. (40 CAR Section 761.125). There are 13 different sample locations where the 10 ppm threshold is exceeded.

Also, the dunes area is located in a sensitive and very fragile ecosystem of state-endangered aquatic/riparian zone vascular plants. These plants are Yarram Grass, and Kalb's St. John's Wort.

c. The availability of other federal or state mechanisms to respond to the release.

The City of Waukegan now owns the former OMC Plant #2 and has asked for our help in removing this contaminant. The State of Illinois does not have the financial resources to eliminate this threat.

IV. ENDANGERMENT DETERMINATION

Given the Site conditions, the nature of the suspected hazardous substances on Site, and the potential exposure pathways described in Sections II and III above, actual or threatened releases of hazardous substances from this Site, if not addressed by implementing the response actions selected in this Memorandum, present an imminent and substantial endangerment to public health, welfare or the environment.

V. PROPOSED ACTIONS AND ESTIMATED COSTS

The following actions are proposed to remediate the threats to public health and/or the environment at the OMC Site:

1. Remove and stockpile the material from the "hot spots" of PCB contamination, to a 10 ppm cleanup level, from the dunes area adjacent to the site.
2. Composite sample, transport and properly dispose of the PCB contaminated material.
3. Backfill excavated areas with clean fill and re-contour areas impacted

It is estimated that the removal will take up to four weeks to complete.

ERRS Costs	\$427,213
START	\$ 50,000
CONTINGENCY (15%)	\$ 71,580

TOTAL EXTRAMURAL PROJECT CEILING
\$ 548,793

A detailed contractor cost breakdown (Independent Government Cost Estimate) is available as Attachment II

The removal action will be taken in a manner not inconsistent with the National Contingency Plan (NCP). The FOSC (Federal On Scene Coordinator) has initiated planning for provisions of post-removal site control consistent with the provisions of Sections 300.415 (9) (1) of the NCP. The elimination of all surface threats is, however, expected to minimize the need for post-removal site control.

The response actions described in this memorandum directly address actual or threatened releases of hazardous, pollutants, or contaminants at the site which may pose an imminent and substantial endangerment to public health and safety and/or the environment. These response actions do not impose a burden on the affected property disproportionate to the extent to which that property contributes to the conditions being addressed.

U.S. EPA will comply with all applicable and relevant and appropriate requirements (ARARs) of federal and state law to the extent practicable. The OSC will send correspondence to the State of Illinois Project Manager asking for all ARARs the State of Illinois would like the FOSC to comply with.

VI. EXPECTED CHANGE IN THE SITUATION SHOULD ACTION BE DELAYED OR NOT TAKEN.

A delayed or non-action on the part of the U.S. EPA will result in possible exposure to those who use utilize the dunes area adjacent to the OMC facility. The area is not restricted and receives heavy use in the summer months. In addition, wave and wind action can cause the PCB contaminated material to be released into presently non-contaminated areas. This action could also cause the PCB material to be released into Lake Michigan, a source of drinking water for the City of Waukegan.

VII. OUTSTANDING POLICY ISSUES

None

VIII. ENFORCEMENT

For administrative purposed, information concerning the enforcement strategy for this site is contained in the Enforcement Confidential Addendum (Attachment III).

The total costs¹ for this removal action based on full accounting that will be eligible cost recovery are estimated to be: $(\$548,793 + \$5,000 \text{ EPA Intramural Costs} = \$553,793 \times 55.15\% = \$859,209.83)$

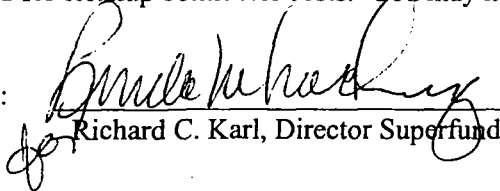
¹Direct Costs include direct extramural costs and direct intramural costs. Indirect costs are calculated based on an estimated indirect cost rate expressed as a percentage of site-specific direct costs, consistent with the full cost accounting methodology effective October 2, 2000. These estimates do not include pre-judgement interest, do not take into account other enforcement costs, including Department of Justice costs, and may be adjusted during the course of a removal action. The estimates are for illustrative purposed only and their use in not intended to create any rights for the responsible parties. Neither the lack of a total estimate nor deviation for actual total costs from this estimate will affect the United States' right to cost recovery

IX. RECOMMENDATION

This decision document represents the selected removal action for the second removal at the former OMC Site located in Waukegan, Illinois, developed in accordance with the CERCLA, as amended, and not inconsistent with the NCP. This decision was based on the administrative record for the site. (See attachment IV). Conditions at the Site meet the N.P. Section 300.415 (b)(2) criteria for a time critical removal action and I recommend your approval of the removal action.

The total removal action project ceiling, if approved, will be \$548,793. Of this amount, \$427,213 may be used for cleanup contractor costs. You may indicate your decision by signing below.

APPROVE:


Richard C. Karl, Director Superfund

DATE:

11/14/05

DISAPPROVE:

Richard C. Karl, Director Superfund

DATE:

- Attachments:
1. Action Memorandum (original)
 2. Independent Government Cost Estimate
 3. Enforcement Confidential Addendum
 4. Administrative Record Index
 5. EJ Analysis

cc: D. Chung, U.S. EPA 52203-G
M. Chezick, U.S. DOI, w/o Enf Index
R. Cipriano, IEPA, w/o Enf Index

ATTACHMENT 2

INDEPENDENT GOVERNMENT COST ESTIMATE

**OMC SITE
SECOND REMOVAL ACTION, CEILING INCREASE**

(REDACTED 1 PAGE)

NOT RELEVANT TO THE SELECTION OF THE REMOVAL ACTION

ATTACHMENT 3

ENFORCEMENT ADDENDUM

**OUTBOARD MARINE CORPORATION SITE
WAUKEGAN, ILLINOIS**

(REDACTED 1 PAGE)

**ENFORCEMENT CONFIDENTIAL
NOT SUBJECT TO DISCOVERY**



ATTACHMENT 4

U.S. ENVIRONMENTAL PROTECTION AGENCY 2ND REMOVAL ACTION

ADMINISTRATIVE RECORD FOR OUTBOARD MARINE CORPORATION (OMC) SITE WAUKEGAN, LAKE COUNTY, ILLINOIS

ORIGINAL
NOVEMBER 14, 2005

<u>NO.</u>	<u>DATE</u>	<u>AUTHOR</u>	<u>RECIPIENT</u>	<u>TITLE/DESCRIPTION</u>	<u>PAGES</u>
1	10/07/05	Tetra Tech EM, Inc.	U.S. EPA	PCB Soil Contamination Site Assessment at the Outboard Marine Corporation Plant #2 w/Cover Letter	64
2	11/14/05	Theisen, K., U.S. EPA	Karl, R., U.S. EPA	Action Memorandum: Request for a Second Emergency Removal at the Outboard Marine Corporation (OMC) Site (PORTIONS OF THIS DOCUMENT HAVE BEEN RE- DACTED)	26

UPDATE #1
FEBRUARY 13, 2006

1	00/00/00	Theisen, K., U.S. EPA	Karl, R., U.S. EPA	Action Memorandum-Ceiling Increase: Request for a Second Emergency Removal at the Outboard Marine Corporation (OMC) Site (PENDING)
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Region 5 Superfund EJ Analysis

OMC Site Waukegan, IL

